(ii) Jeypore Dilli Coalfields

Jeypore Dilli Mine Underground

(b) The Assam coal has been classified under the two grades as below:—

Grade	Useful Heat Value (Kilo Calorie / Kg)
A	6200 and above
b	5600-6199

(c) Yes Sir. While considering the feasibility report of establishing coal washeryt in NEC, the quality of Assam coal was examined thoroughly.

(d) and (e) Yes Sir. Global tenders were called to set up coal beneficiation plant at Tikak in Assam for supply of beneficiated coal to SAIL. SAIL had agreed to accept beneficiated coal earlier with Sulphur content within 2.5% On the basis of offer finalised for setting up washery, CIL had sought from SAIL acceptance of the beneficiated coal. But finally SAIL expressed their reluctance to accept the beneficiated coal on the ground of quality and high cost and therefore the tender was cancelled.

Loss incurred by CIL in Assam

706. DR. (SMT.) JOYASREE GOSWAMI MAHANTA: Will the Minister of MINES AND MINERALS be pleased to state:

(a) whether the Coal India Limited is incurring loss from the coal fields of Assam;

(b) if so, the reasons therefor;

(c) whether Government have taken any steps for commercial viability of this Black Diamond; if so, the details thereof;

(d) whether government have taken any steps for exploring new coal fields in Assam; if so, the details thereof; and

(e) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF MINES AND MINERALS DR. (SHRIMATI) RITA VERMA: (a) Yes Sir, Coal India Limited is incurring loss from the coalfields of Assam. The loss of North Eastern

Coalfields (NEC) for the last three years are as follows:

(Rs. in crores)

	1996-97	1997-98	1998-99
Loss	21.38	41.86	49.20

(b) The various reasons for the losses are:

(i) Shrinkage of market within the State from 6-8 lakh tonnes per annum to 2.53 lakh tonnes per annum.

(ii) Very high freight rate for transport of Assam coal to upcountry consumers.

(iii) Coal at comparatively cheaper rates from other subsidiaries of Coal India Limited available to upcountry consumers.

(iv) Non-commisioning of the Thermal Power Plants and Cement Plants in Assam drawing coal produced in collieries of Margherita.

(v) Even the Assam State Electricity Board is not taking coal having earlier linkage with Margherita collieries.

(vi) Upto 1994-95, about 3 lakh tonnes of Assam coal was being consumed by SAIL, but with the decision of importing coal from Australia and South Africa etc., Steel Plants of India have not ordered any coal from North Eastern Coalfields (NEC) since 1998-99, which has adversely affected the market of NEC coal.

(vii) Pithead stock piled up to a tune of 9.27 lakh tonnes as on 31.3.98, and as a result, the production had to be restricted.

(viii) The existing manpower with the restricted production had put NEC into a loss-making unit due to low productivity, resulting in high cost of production.

(ix) The Power tariff has been revised to the tune of almost double in recent years, resulting in higher input cost for production.

(x) Due to coal lying at pithead for years, the quality has deteriorated and the same is reflected in the profit and loss account.

(c) All attempts are being made to ease the situation by finding out avenues for Margherita coal in a very competitive market with restricted production. More than 2 lakh tonnes of coal lying at the pithead have been liquidated during the financial year 1998-99, and about 3 lakh tonnes is further expected to be liquidated in the year 1999-2000. Effective reduction in the manpower through Voluntary Retirement Scheme has been done bringing down the manpower by 391 during 1998-99 and by about 120 in the year

1999-2000 (till Jan' 2000). Further attempts for improving the health of the unit including strict control on the controllable items of cost are being made. The Government of Assam has already been requested to check the inflow of coal from Meghalaya, which is being sold from the stockyard of Beltala in Guwahati city in Assam. This is seriously affecting the sale of coal produced from Margherita.

(d) and (e) Coal India Limited has already approved projects for increasing production from Lekhapani and Baragolai Mines but the work has been stalled because of dwindling market of coal and lack of sustained linkage with Steel Plants, Cement, Tea Industry and Power Plant which was expected to come up in Margherita area. Coal India Limited has already applied for fresh lease holds in Assam where coal exists and is easily extractable by open cast methods (PQ block in Dilli-Jeypore area) but Government of Assam is still to take decision on this matter. Once market improves, these areas can be exploited and coal production increase within a short time frame. Central Mine Planning & Design Institute Limited, a subsidary of Coal India Limited, is continuing exploration work in Baragolai, West of Makum Coalfields. However, the detailed geological report of this area is awaited.

Removal of sand from River Beds

707. SHRI P. SOUNDARARAJAN: Will the Minister of MINES AND MINERALS be pleased to state:

(a) whether the attention of Government has been drawn to the fact of large scale removal of sand from the river beds in the country;

(b) whether Government have studied the pros and cons of such large scale removal of sand for various purposes; and

(c) will Government regulate this trend to prevent ecological and environmental problems?

THE MINISTER OF STATE IN THE MINISTRY OF MINES AND MINERALS (DR. (SHRIMATI) RITA VERMA): (a) Ordinary sand is a minor mineral defined under Section 3(e) of the Mines and Minerals (Development and Regulation) Act, 1957, the regulation of which is done by the respective State Governments. Hence the Central Government in the Department of Mines is not concerned with the removal of ordinary sand from riverbeds in the country. Moreover, no representation regarding large scale removal of sand from riverbeds has been received in the Department of Mines.